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# JAKES CORNER WATER SYS

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HC 6 BOX 1048 L

PAYSON, ARIZONA 85541

2007 SEP 19 P 4: 43

928-474-1766

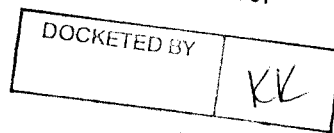
FAX: 928-474-7812

AZ CORP COMMISSION  
DOCKET CONTROL

September 7, 2007

Docket Control Center  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington Street  
Phoenix, Arizona 85007

Arizona Corporation Commission Decision #67231  
**DOCKETED** W-04249A-04-0249  
SEP 19 2007 W-03745A-04-0249



Dear Commission;

We are in response to the Procedural Order, dated August 21, 2007 in regards to the above Decision and Docket numbers.

Previous dockets in response to this Procedural Order are:

1. August 2, 2007 we docketed a letter formally requesting the Arizona Corporation Commission to re-consider the portion of Decision #67231, page 4, 23 and 24 requiring the installation of a water storage tank. This was only a request for the Commission to review the documentation contained in that letter. This was not a formal "we will not install the tank". We were providing the necessary technical information that we know in regards to that issue. (attached)

2. The letter dated August 9, 2007 from Compliance Staff states and quotes us as "our understanding was that the storage tank for Jakes is not needed." We had discussed that issue several times previously with staff and at the previous hearing. It did not mean we were trying on purpose to be in "non-compliance", we were just requesting the Commission to re-consider the storage tank after we had submitted the previous documentation. (attached)

Quoting a paragraph from that letter states "the storage tank originally ordered in Decision #67231 is a continuing requirement of the Commission and will remain so until such time as the Company provides evidence of compliance or the Commission amends its decision."

Our "lack of compliance" is realistically, us waiting for a response from the Commission in regards to our docketed letter of August 2, 2007.

3. The statement in the letter of August 9, from Compliance Staff also states that "they are disturbed by the continuing non compliance" in regards to this storage tank. It also refers to illogical thinking on the Company's part for assuming ADEQ's documentation would override the Commission's orders. On the contrary, we were just trying to reason out facts and requesting the


Commission to re consider the issue. We have through knowledge of the Commissions duties and responsibilities to their positions and the public.

We have thoroughly enjoyed working with the Compliance Staff, they have gone beyond to try to help us through this process. At no time have we ever intentionally responded with a defiant non-compliance attitude. We want what is best for our customers and we thought submitting the information from ADEQ would help bring some fresh light on an old subject.

4. Addressing the location of the storage tank has been our biggest concern. We thought the sight visit referred to in the August 9<sup>th</sup> letter would have given the Compliance Staff a more clearer picture of where do we install this tank? We really don't want to install it in our customers yard! This is a question not a denial.

Please feel free to call is there are any further questions and we do look forward to continue working with the Compliance Staff in an open and productive manner.

Sincerely,



Kacy Parker  
Kyle Parker

Attachments: Letter dated August 2, 2007 from Company  
Letter dated August 9, 2007 from Compliance Staff

# ARROYO WATER COMPANY

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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July 26, 2007

**Mr. Brian Bozzo**  
**Arizona Corporation Commission**  
Compliance and Enforcement  
1200 W. Washington  
Phoenix, Arizona 85007  
Phone: 602-542-0852  
Fax: 602-542-2129

**Decision No. 67231**

**Re: Jakes Corner Water Company**

We would like to respond to your requests per your phone call on Tuesday, July 24, 2007. First, we are still waiting to hear the Judge's decision on our CC&N application. Also, docketed previously ( Docket # W-04249A-04-0249/W-03745A-04-0249 carbon copy, Brian Bozzo) was the documentation from ADEQ, Inspector, Pat Fenton, which eliminates the need for a storage tank and states, ADEQ did not want the potential for system contamination with the installation of an unwarranted storage tank. It was also documented that the pressure tank has adequate storage in addition to being a pressure tank. Our understanding is that the storage tank for Jakes was not needed.

The issue with Mr. Fish and the misunderstanding over the well is being addressed.

Enclosed is the invoice for repairs at Jakes Corner well (a major capitol investment)

We will continue to provide quality service to our customers as has been done since 1964.

Please feel free to call for further information.

Sincerely

  
Kyle Parker

d#8/arroyo

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



BRIAN C. McNEIL  
Executive Director

ARIZONA CORPORATION COMMISSION

2007 AUG -9 A 10:41

AZ CORP COMMISSION  
DOCKET CONTROL

August 9, 2007

Mr. Kyle Parker  
Ms. Kacy Parker  
Jake's Corner Water System  
HC 6 Box 1048L  
Payson, Arizona 85541

Re: Jake's Corner Water System  
Docket Nos. W-04249A-04-0249 and W-03745A-04-0249  
Decision Nos. 67231 and 69583

Dear Kyle and Kacy Parker:

Compliance Staff is in possession of the letter of communication which was faxed from the company on July 27, 2007. In the attached letter, the Company stated that the storage tank originally ordered by the Arizona Corporation Commission ("Commission" or "A.C.C.") in Decision No. 67231 is not needed due to some written comments made by the Arizona Department of Environmental Quality ("A.D.E.Q."). You summarized your discussion of the storage tank by stating that:

"Our understanding was that the storage tank for Jakes was not needed."

Please be advised that this is incorrect.

During an August 1, 2007 site visit, Staff met with Kyle Parker at Jake's Corner and verbally informed him that the storage tank was a current requirement of the commission. As a follow up to that verbal discussion, please accept this writing as formal, written response to the July 27, 2007 letter.

The storage tank originally ordered in Decision No. 67231 is a continuing requirement of the Commission and will remain so until such time as the Company provides evidence of compliance or the Commission amends its decision.

Further, Staff wishes to inform you that the Compliance Department and Utilities Division are disturbed at the continuing non-compliance of Jake's Corner relating to this storage tank issue. It seems illogical for the Company to state that they thought some recent ADEQ comments would override years of Commission efforts to see the storage tank installed.

The Company has been informed in writing and had stated in writing that it would install the storage tank. During the August 1, 2007 site visit, Staff provided a copy of Decision No. 67231,

Decision No. 69583 and an April 18, 2007 letter from you (both) where you state your intention to install the storage tank which you had "acquired" and was "on hand". According to Ms. Kimberly Battista of the Commission, this was reiterated at the Open Meeting relating to the OSC.

As background, the A.C.C. ordered the installation of a storage tank in Decision No. 67231, dated September 7, 2004. At that time, the Commission provided a due date for the installation of the storage tank of June 2005. This can be seen on page 4, line 23 of Decision No. 67231 which was provided during the site visit. In the intervening period, you have received numerous calls and notifications from the Compliance department relating to the delinquency of this storage tank. Then, after approximately two years of non compliance, the Commission filed an Order to Show Cause ("OSC") which resulted in Decision No. 69583. This decision called for the Company to appear before the Commission to explain why the inaction of the Company did not constitute a violation of Decision No. 67231 and specifically why Jake's Corner had failed to install the storage tank. This can be seen on page 3, line 9 and 11 of the previously provided Decision No. 69583.

In summary, after the original decisions, after numerous calls and notices, after an OSC case and after your written and verbal promise to install this storage tank, it still remains delinquent. Your comment that you understood that the storage tank was not needed is not logical in light of these facts.

Further, the Commission and A.D.E.Q are separate state agencies. Please be advised that the Commission is the entity that imposed the requirement for the installation of the storage tank. The Commission is therefore the only entity that can remove the requirement to install the storage tank.

I hope that this clarifies your understanding of the obligation for the storage tank. If you have any questions, please contact me at 602 542-0852.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian K. Bozzo". The signature is stylized with a large, looping "B" and "K".

Brian K. Bozzo  
Compliance and Enforcement Manager

# JAKES CORNER WATER SYSTEM

HC 6 BOX 1048 L  
PAYSON, ARIZONA 85541  
928-474-1766  
FAX: 928-474-7812

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August 2, 2007

Arizona Corporation Commission  
Utilities Division  
1200 W. Washington Street  
Phoenix, Arizona 85007

**RE: Decision # 67231**  
W-04249A-04-0249  
W-03745A-04-0249

**Re: Amendment of Decision #67231**

Dear Commission;

In accordance with Section 40-242 of the Arizona Revised Statutes, Jakes Corner Water System is formally requesting the Arizona Corporation Commission to re-consider the portion of Decision # 67231, page 4, line 23 and 24 requiring the installation of a water storage tank.

Several issues have developed pertaining to this matter and are listed below:

This system was originally designed in 1966 by Holmquist Engineering, Inc. for the purpose of the CC&N. The System as designed has provided domestic water unchanged for 40 years to the same 20 lots.

The existing 5000 gal Storage/Pressure Tank is more than adequate per current regulations from Arizona Department of Environmental Quality standards and verified company's usage data.

The existing system is a closed confined system which basically means no outside contaminants can enter the system via air and only one submersible pump supplies both pumping and pressure.

Based on the geography of the existing system, any storage tank would have to be located approximately 1600 LF from the well (site of existing 5,000 gal. Storage pressure tank) thus requiring a low voltage float to signal the submersible pump and a new power source and pressure booster pump to convert storage to pressure.

This complex system would now have a submersible pump and booster pump, float and 1600 LF of buried signal wire and a separate pressure bladder tank, a separate storage tank and 2 separate Arizona Public Service power source meters.

In summary, the 40 year old existing closed system which provides consistent quality drinking water and complies with regulations, would then become a complex open system subjective to contamination and doubling vulnerability to mechanical failure with 2 pumps and 2 meters.

Please find enclosed documentation from Arizona Department of Environmental Quality Inspection and our Water Usage documentation. Also, enclosed in compliance to Decision #67231, are copies of the required Backflow Prevention Tariff and Curtailment Tariff.

Sincerely,



Kacy Parker  
Kyle Parker

**Enclosures:** ADEQ Inspection Report dated May 21, 2007 #102929  
Jakes Corner Water System report to ADEQ on water usage dated 5-15-07  
Backflow/Curtailment Tariff

D/#8/arroyo

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

Arizona Corporation Commission  
**DOCKETED**

SEP 19 2007

DOCKETED BY

STAFF of the Utilities Division,  
  
Complainant,

vs.

KACY J. PARKER dba JAKE'S CORNER WATER  
SYSTEM

Respondent.

**DOCKET NO. W-04249A-04-0249**  
**DOCKET NO. W-03745A-04-0249**


**REQUEST FOR A PROCEDURAL  
SCHEDULE**

On May 21, 2007, the Commission issued Decision 69583, its Order to Show Cause in the instant matters. Within the Decision, the Commission ordered that the Hearing Division "forthwith schedule further appropriate proceedings."

Utilities Division Staff worked with the Respondents and it appeared Respondents would voluntarily install the necessary storage tank without the need for further enforcement action before the Commission. Those efforts have since stalled, leaving Staff with no alternative but to request that the Commission proceed with the hearing on the Order to Show Cause.

WHEREFORE, Staff respectfully requests that the Hearing Division issue a Procedural Order in this matter setting out the procedural schedule necessary to bring this matter to hearing.

RESPECTFULLY SUBMITTED this 21<sup>st</sup> day of August, 2007.

  
Kevin O. Torrey  
Attorney, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007



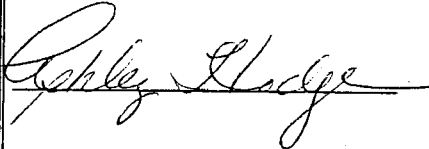
1 The original and thirteen (13) copies  
2 of the foregoing were filed this  
3 21st day of August, 2007 with:

4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington Street  
7 Phoenix, Arizona 85007

8 Copies of the foregoing were mailed  
9 this 21st day of August, 2007 to:

10 Mr. Kacy J. Parker  
11 Jake's Corner Water System  
12 HC6, Box 1048-H  
13 Payson, Arizona 85541

14 Mr. Edwin L. Wetzler  
15 HC1, Box 5273J  
16 Payson, Arizona 85541

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BEFORE THE ARIZONA CORPORATION COMMISSION  
RECEIVED

COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

2007 AUG 27 P 2: 54

AZ CORP COMMISSION  
DOCKET CONTROL

STAFF of the Utilities Division of the Arizona  
Corporation Commission,

Complainant,

vs.

KACY J. PARKER d/b/a JAKE'S CORNER  
WATER SYSTEM,

Respondent.

DOCKET NO. W-04249A-04-0249

DOCKET NO. W-03745A-04-0249

PROCEDURAL ORDER

**BY THE COMMISSION:**

On May 21, 2007, the Arizona Corporation Commission ("Commission") issued Decision 69583, approving an Order to Show Cause Kacy J. Parker dba Jake's Corner Water System ("Respondent"). Decision No. 69583 directed the Hearing Division to "forthwith schedule further appropriate proceedings."

On August 21, 2007, the Commission's Utilities Division Staff ("Staff") filed a Request for Procedural Schedule. Staff states that although it appeared initially that the Respondent would voluntarily install the necessary storage tank without the need for further enforcement action by the Commission, those actions have stalled and Staff now seeks a hearing on the Order to Show Cause issued by the Commission. Therefore, Staff requests that a Procedural Order be issued establishing a procedural schedule for this matter.

IT IS THEREFORE ORDERED that a hearing shall be scheduled for October 9, 2007, at 10:00 a.m., at the offices of the Commission, 1200 West Washington, Phoenix, Arizona 85007.

IT IS FURTHER ORDERED that Staff shall file a Staff Report or pre-filed direct testimony by September 17, 2007.

IT IS FURTHER ORDERED that the Respondent shall file its responsive testimony by

1 **October 1, 2007.**

2 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized  
3 Communications) applies to this proceeding and shall remain in effect until the Commission's  
4 Decision in this matter is final and non-appealable.

5 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,  
6 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at  
7 hearing.

8 DATED this 27<sup>th</sup> day of August, 2007.

9  
10 

11 DWIGHT D. NODES  
12 ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

13 Copies of the foregoing mailed/delivered  
14 this 27<sup>th</sup> day of August, 2007 to:

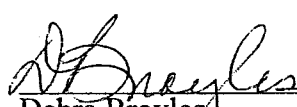
15 Mr. Kacy J. Parker  
16 JAKE'S CORNER WATER SYSTEM  
17 HC6, Box 1048H  
18 Payson, Arizona 85541

19 Mr. Edwin L. Wetzler  
20 HC1, Box 5273J  
21 Payson, Arizona 85541

22 Christopher Kempley, Chief Counsel  
23 Legal Division  
24 ARIZONA CORPORATION COMMISSION  
25 1200 West Washington Street  
26 Phoenix, Arizona 85007

27 Ernest G. Johnson, Director  
28 Utilities Division  
ARIZONA CORPORATION COMMISSION  
1200 West Washington Street  
Phoenix, Arizona 85007

ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
Phoenix, AZ 85004-1481

26 By:   
27 Debra Broyles  
28 Secretary to Dwight D. Nodes